

# Advocacy groups assail electricity deregulation debacle

Week of February 26, 2007

Washington, D.C.—After a decade of skyrocketing prices, reliability worries and ratepayer outrage, electricity deregulation has proven a failed experiment at both the retail and wholesale levels, leaders from major advocacy groups told attendees at today's Take Back the Power Conference at the National Press Club in Washington, D.C. Consumer, labor, public power and industry advocates participating in the conference emphasized that electricity policy reforms must focus on consumer welfare.

“Enron and other energy pirates claimed electricity competition would usher in an era of lower prices and superior service. Our conference demonstrates not only that electricity deregulation is as bankrupt as Enron was, but that Congress and state lawmakers have the tools necessary to restore transparency and integrity to America's utility markets,” said Tyson Slocum, Director of Public Citizen's Energy Program.

“First and foremost, the Federal Energy Regulatory Commission must return to its congressionally mandated responsibility by ensuring that all electric rates are ‘just and reasonable.’ The sooner we return to a system where rates are tied to the costs of producing power, the better it is for consumers and the economy,” Slocum said.

Conference speakers addressed electricity policy at the federal and state level. Experts critiqued the failed economics of deregulation and described the negative effect of electricity restructuring on reliability. Noting the explosion in electricity prices following the end of rate caps, speakers from Connecticut, Maryland, Pennsylvania and Texas explained why deregulation fizzled in their states and outlined possible re-regulation initiatives.

Marilyn Showalter, executive director of Power in the Public Interest, said deregulation and restructuring have failed to bring promised benefits to consumers. “Those states and regions that did not undertake these experiments should stick with their more traditionally regulated systems,”

Showalter said. “Those states and regions that did restructure their electricity systems now face much harder choices, especially if their utilities have sold off their generating plants. We need to restore to utilities and regulators the responsibility and accountability for ensuring available and affordable power.”

The Take Back the Power Conference attracted approximately 90 electricity activists from around the country to hear leading economists, consumer advocates, industry experts and state officials speak about the failure of deregulation. Connecticut Attorney General Richard Blumenthal delivered the keynote address. Speaker presentations are available at [www.takebackthepower.net](http://www.takebackthepower.net).

Organizers of the Take Back the Power Conference include the following supporting organizations:

Citizen Power, Democracy and Regulation, McCullough Research, Public Citizen, the Tellus Institute,

TURN, the Utility Workers Union of America and the AFL-CIO.

All of the speakers will be available for comment or media interviews. To schedule an interview, contact